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**BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
OF THE STATE OF CALIFORNIA**

In the Matter of:

THE COMMISSIONER OF BUSINESS  
OVERSIGHT,

Complainant,

v.

LUMEN SOLUTIONS, INC., a California  
corporation,

Respondent.

OAH CASE NO.: 2017110783

CFL APP. NO.: 60DBO-73317

SETTLEMENT AGREEMENT

This Settlement Agreement is entered between the Commissioner of Business Oversight  
(Commissioner) and Lumen Solutions, Inc. (Respondent) and is made with respect for the following  
facts:

**RECITALS**

A. The Commissioner has jurisdiction over the licensing and regulation of persons and

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1 entities engaged in business under the California Financing Law (CFL) (Fin. Code, § 22000 et seq.)<sup>1</sup>

2 B. Respondent is a California corporation organized in 2013 with its main office located  
3 at 1419 North Freeman Street, Santa Ana, California, 92706. Respondent has never been licensed  
4 under the CFL.

5 C. Victor Melgoza Gallardo (Gallardo) is the President, sole shareholder and the  
6 control person of Respondent and, as such, is authorized to enter into this Settlement Agreement  
7 on behalf of Respondent.

8 D. On or about July 13, 2017, Respondent filed with the Commissioner an application  
9 for licensure under the CFL (CFL File 60DBO-73317).

10 E. On October 23, 2017, the Commissioner filed her Statement of Issues in Support of  
11 Order Denying California Finance Lender License Application (Statement of Issues), regarding  
12 Respondent's application for a CFL license.

13 F. As set forth in the Statement of Issues, the Commissioner's review of  
14 Respondent's application and of Gallardo on the Nationwide Multistate Licensing System &  
15 Registry (NMLS) revealed that Gallardo previously held "restricted" Mortgage Lender Originator  
16 (MLO) endorsements for his BRE broker license and salesperson licenses, the result of two  
17 administrative proceedings before the California Bureau of Real Estate (BRE), which alleged, in  
18 summary, that Gallardo failed to reveal a prior felony criminal conviction in 1995 for violating  
19 Vehicle Code section 10851 (stolen vehicle) and Penal Code section 496 (possessing stolen property)  
20 in the course of applying for licenses.

21 G. The Commissioner granted Gallardo an individual MLO license in 2013.

22 H. It is the intention and desire of the Parties to resolve this matter without the  
23 necessity of a hearing and/or other litigation.

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27 <sup>1</sup> Effective October 4, 2017, the name of the "California Finance Lenders Law" changed to the "California  
28 Financing Law." (Assem. Bill No. 1284 (2017-2018 Reg. Sess.) §4.) For purposes of this document, a  
reference to the California Finance Lenders Law means the California Finance Lenders Law before October 4,  
2017 and the California Financing Law on and after that date. (Cal. Fin. Code, § 22000.)

NOW, THEREFORE, in consideration of the foregoing and the terms and conditions set forth herein, the parties agree as follows:

TERMS AND CONDITIONS

1. Purpose. It is the intention and desire of the parties to resolve this matter without the necessity of a hearing or other litigation for the purpose of judicial economy and expediency and to avoid the expense of a hearing and possible further court proceedings.

2. Waiver of Hearing Rights. Respondent agrees that this Settlement Agreement shall have the effect of withdrawing his request for an administrative hearing on the matter set forth herein. Respondent acknowledges his right to an administrative hearing under the CFL in connection with the Statement of Issues and hereby waives such right to a hearing and to any reconsideration, appeal, or other rights which may be afforded it under the CFL, the Administrative Procedure Act (APA) (Gov. Code, § 11370 et seq.), the Code of Civil Procedure (CCP) (Code Civ. Proc., § 1 et seq.), or any provision of law in connection with this matter.

3. Acknowledgment. Respondent acknowledges that the Commissioner issued a Statement of Issues dated October 23, 2017, in which the Commissioner alleges that Respondent did not meet the criteria to hold a CFL license under Financial Code sections 22109(a)(3), as discussed above.

4. Revocation of License. Respondent agrees that for the 36-month period from the Effective Date of this Agreement (as set forth in paragraph 16 below), if the Department makes a finding that Respondent has violated or is violating any provision of the CFL, or any rule, regulation, or law under the jurisdiction of the Commissioner, the Commissioner may, in her discretion, automatically revoke any licenses held by or deny any pending application(s) of Respondent. Respondent hereby waives any notice and hearing rights to contest such revocation or denial(s) which may be afforded under the CFL, APA, CCP, or any other provision of law in connection with this matter.

5. Respondent's License Application: The Commissioner agrees that it shall process Respondent's CFL license application and shall not deny such application on the basis of Financial Code section 22109(a)(3) as alleged in the Statement of Issues, subject to the conditions set forth in

1 this Agreement.

2 6. Full and Final Settlement. The parties hereby acknowledge and agree that this  
3 Settlement Agreement is intended to constitute a full, final, and complete resolution of Respondent's  
4 alleged violations of the CFL as identified herein. No further proceedings or actions will be brought  
5 by the Commissioner in connection with these matters under the CFL or any other provision of law,  
6 excepting any proceeding to enforce compliance with the terms of this Settlement Agreement or  
7 action if such proceeding is based upon discovery of new and further violations of the CFL which do  
8 not form the basis for this Settlement Agreement or which Respondent knowingly concealed from the  
9 Commissioner.

10 7. Commissioner's Duties. The parties further acknowledge and agree that nothing in this  
11 Settlement Agreement shall limit the Commissioner's ability to assist any other agency (city, county,  
12 state, or federal) with any prosecution, administrative, civil, or criminal, brought by any such agency  
13 against Respondent or any other person based upon any of the activities alleged in these matters or  
14 otherwise.

15 8. Binding. This Settlement Agreement is binding on all heirs, assigns, or successors in  
16 interest.

17 9. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it  
18 has had the opportunity to obtain independent advice from its attorney(s) or representative(s) with  
19 respect to the advisability of executing this Settlement Agreement.

20 10. Counterparts. The parties agree that this Settlement Agreement may be executed in  
21 one or more separate counterparts, each of which shall be deemed an original when so executed. Such  
22 counterparts shall together constitute and be one and the same instrument.

23 11. Waiver, Modification, and Qualified Integration. The waiver of any provision of this  
24 Settlement Agreement shall not operate to waive any other provision set forth herein. No waiver,  
25 amendment, or modification of this Settlement Agreement shall be valid or binding to any extent  
26 unless it is in writing and signed by all the parties affected by it.

27 12. Headings and Governing Law. The headings to the paragraphs of this Settlement  
28 Agreement are inserted for convenience only and will not be deemed a part hereof or affect the

1 construction or interpretation of the provisions hereof. This Settlement Agreement shall be construed  
2 and enforced in accordance with and governed by California law.

3 13. Full Integration. Each of the parties represents, warrants, and agrees that in executing  
4 this Settlement Agreement it has relied solely on the statements set forth herein and the advice of its  
5 own counsel. Each of the parties further represents, warrants, and agrees that in executing this  
6 Settlement Agreement it has placed no reliance on any statement, representation, or promise of any  
7 other party, or any other person or entity not expressly set forth herein, or upon the failure of any  
8 party or any other person or entity to make any statement, representation, or disclosure of anything  
9 whatsoever. The parties have included this clause: (1) to preclude any claim that any party was in any  
10 way fraudulently induced to execute this Settlement Agreement; and (2) to preclude the introduction  
11 of parol evidence to vary, interpret, supplement, or contradict the terms of this Settlement Agreement.

12 14. Presumption from Drafting. In that the parties have had the opportunity to draft,  
13 review, and edit the language of this Settlement Agreement, no presumption for or against any party  
14 arising out of drafting all or any part of this Settlement Agreement will be applied in any action  
15 relating to, connected to, or involving this Settlement Agreement. Accordingly, the parties waive the  
16 benefit of Civil Code section 1654 and any successor or amended statute, providing that in cases of  
17 uncertainty, language of a contract should be interpreted most strongly against the party that caused  
18 the uncertainty to exist.

19 15. Voluntary Agreement. Respondent enters into this Settlement Agreement voluntarily  
20 and without coercion and acknowledges that no promises, threats, or assurances have been made by  
21 the Commissioner, or any officer or agent thereof, about this Settlement Agreement.

22 16. Effective Date. This Settlement Agreement shall become final and effective when  
23 signed by all parties and delivered by the Commissioner's agent via U.S. Mail to Respondent at its  
24 address of record.

25 17. Notice. Any notices required under this Settlement Agreement shall be provided to  
26 each party at the following addresses:

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If to Respondent to: Victor Melgoza Gallardo  
Lumen Solutions, Inc.  
1419 North Freeman Street  
Santa Ana, CA 92706

If to the Commissioner to: Robert Lux, Senior Counsel  
Department of Business Oversight  
1350 Front Street, Suite 2034  
San Diego, CA 92101

18. Authority to Execute. Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Settlement Agreement.

IN WITNESS WHEREOF, the parties hereto have approved and executed this Settlement Agreement on the dates set forth opposite their respective signatures.

Dated: 3/6/18 JAN LYNN OWEN  
Commissioner of Business Oversight

By \_\_\_\_\_  
MARY ANN SMITH  
Deputy Commissioner  
Enforcement Division

LUMEN SOLUTIONS, INC., Respondent

Dated: 3/1/18 By \_\_\_\_\_  
VICTOR MELGOZA GALLARDO  
On behalf of Lumen Solutions, Inc.